

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512



**NOTICE OF RECEIPT OF THE
EMERGENCY PERMITTING PROPOSAL
FOR THE CALPINE GILROY CITY LM6000 PHASE 1 PROJECT
Docket No. 01-EP-8**

On April 26, 2001, the Calpine Corporation, (Calpine) filed an emergency permitting application for the Gilroy City LM6000 Phase 1 project (Gilroy). Calpine submitted supplemental application information May 1, 2001. The Energy Commission staff has reviewed the application and determined it is complete. This project is being reviewed under Public Resources Code section 25705, which grants the Energy Commission emergency permitting authority, and Executive Order D-26-01, issued February 8, 2001, and Executive Order D-28-01 issued March 7, 2001. **In Executive Order D-26-01 and D-28-01 the Governor ordered the Energy Commission and other relevant state and local agencies to expedite review of proposed thermal power plants for construction and operation on an emergency basis by September 30, 2001.** Staff has begun an expedited 'fatal-flaw' analysis of the project. A hearing will be held in Gilroy in seven to ten days. Staff expects the Energy Commission to make a final decision on this project within three weeks. The application is available at <http://www.energy.ca.gov/sitingcases/peakers>.

This project is being considered outside of the Energy Commission's normal power plant permitting process. Under Public Resources Code section 25705, if the legislature or the Governor declares a state of energy emergency, the Commission has emergency authority to order the construction and use of generating facilities under terms and conditions it specifies to protect the public interest. This authority can be invoked only if the Legislature or Governor declares a state of emergency and the Commission determines that all reasonable conservation, allocation, and service restriction measures may not alleviate an energy supply emergency. The Governor declared a state of emergency on January 17, 2001. On February 8 and March 7, the Governor issued several executive orders and declared that all reasonable conservation, allocation, and service restriction measures may not alleviate an energy supply emergency.

In Executive Order D-26-01 and D-28-01, the Governor ordered the Energy Commission to expedite the processing of applications for peaking and renewable power plants that can be on line by September 30, 2001. The Governor also declared that these projects are emergency projects under Public Resources Code section 21080(b)(4), and are thereby exempt from the requirements of the California Environmental Quality Act (CEQA). A summary of the emergency permitting process, including the proposed schedule, and a checklist showing the information required in an application, can be found on the web at <http://www.energy.ca.gov/sitingcases/peakers/documents/index.html>. A copy of this summary is attached to this notice.

PROJECT DESCRIPTION

The Gilroy project is a 135 megawatt (MW) simple-cycle natural gas fired power plant to be located at the existing Gilroy Co-Gen facility in Gilroy, Santa Clara County, California. The project will consist of three 45 MW natural gas-fired simple-cycle peaking turbines and associated equipment located on 7 acres of agricultural land adjacent to the existing facility. The project will require no new linear facilities and will interconnect to Pacific Gas & Electric's (PG&E) electricity transmission system through a radial tap to PG&E's transmission line located on the site. Natural gas will be supplied through an on-site connection to the existing PG&E natural gas system.

Emissions of NO_x will be controlled to 5 ppm by the installation of selective catalytic reduction (SCR) equipment.

Project construction will take approximately two to three months. Calpine will begin commercial operation before September 30, 2001.

PUBLIC PARTICIPATION

Staff has begun an expedited 'fatal-flaw' analysis of the project. A hearing will be held in Gilroy in approximately seven to ten days. This hearing will provide the public as well as local, state and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. A notice for this hearing will be mailed, but anyone interested in attending is encouraged to check the Energy Commission's Internet page at www.energy.ca.gov/sitingcases/peakers. This web site will include information on the status of the project, copies of notices and other relevant documents and includes instructions for signing up for the project's email list-server. If you have questions or would like additional information on how to participate in the Energy Commission's review of the project, please contact Bob Eller, Siting Project Manager, at (916) 651-8835, or by email at beller@energy.state.ca.us.

If you want information on how you can participate in the Energy Commission's review of the project, please contact Ms. Roberta Mendonca, the Energy Commission's Public Adviser, by email at pao@energy.state.ca.us. For information regarding sites in Northern California, call toll free (877) 602-4747, and for sites in Southern California, call toll free (800) 273-4459. If you require special accommodations to attend a workshop, please call Robert Sifuentes at (916) 654-5004, at least five days before a workshop. Technical or project schedule questions should be directed to Bob Eller, Siting Project Manager, in the Systems Assessment and Facilities Siting Division, at (916) 651-8835, or by email at beller@energy.state.ca.us. The status of the project, copies of notices and other relevant documents are also available on the Energy Commission's Internet web page at www.energy.ca.gov/sitingcases. News media inquiries should be directed to Assistant Director, Claudia Chandler, at (916) 654-4989.

This notice of receipt has been mailed to property owners located within 500 feet of the project site and any of the project-related facilities. By being on the mailing list, you will receive notices of all project-related activities and notices when documents related to the project's evaluation are available for review. If you want your name removed from the mailing list, please contact Mary Dyas, Siting Project Assistant, at (916) 651-8891 or by email at mdyas@energy.state.ca.us.

AVAILABILITY OF THE APPLICATION

Copies of the application are available for public inspection at the following libraries:

Gilroy Public Library
17387 Rosanna Street
Gilroy, California 95020-6193

Copies are also available at the Energy Commission's Library in Sacramento, the California State Library in Sacramento, and at public libraries in Los Angeles, San Francisco, San Diego, Fresno, and Eureka. In addition, copies are being distributed to those public agencies that would normally have jurisdiction except for the Energy Commission's exclusive authority to certify sites and related facilities.

DATE: _____

ROBERT L. THERKELSEN, Deputy Director
Systems Assessment & Facilities Siting

Mailed to property owner list